

Health Care Delivery Changes / Birth Outcomes Initiative

Louisiana's Practice of Medicine in the Future

Baton Rouge, LA

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Louisiana Medicaid Enrollment

- Medicaid Enrollment
 - February 2, 2011– 1,171,028
 - 12 month trend, increase of 4.16%
 - Approximately 27% of Louisiana population
- Enrollment by category (Feb 2, 2011)
 - Children – 685,489
 - Disabled – 172,948
 - Parents – 104,245
 - Pregnant women -25,851
 - Family Planning – 70,426
- Projected enrollment June 2011 – 1,235,711
- Affordable Care Act impact
 - Estimated new LA enrollees 645,843 (by SFY 2023)



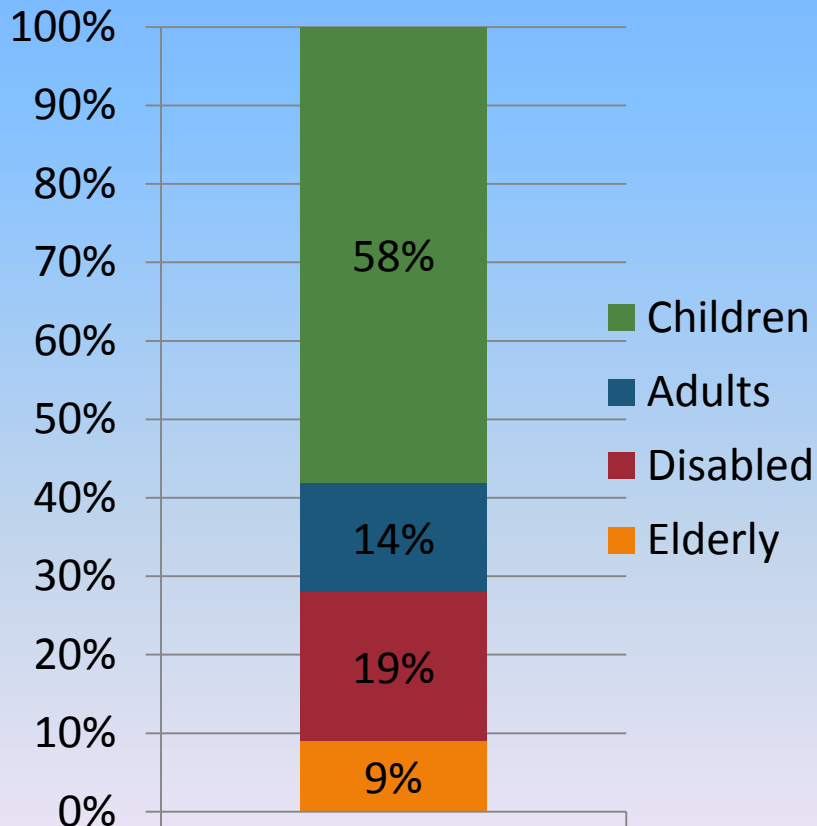
Louisiana Medicaid Budget

- FY 2011 Medical Vendor Payment Budget
 - Total: \$6,507,479,386
 - Federal: \$4,846,513,014
- State FY 2008 Vendor Payment Budget
 - \$5,921,726,841
- FY 2011 Medical Vendor Administration Budget
 - \$260,433,840
 - 1237 employees
- Top provider groups by expenditures
 - Private hospitals, outpatient and inpatient
 - Nursing homes
 - LSUHCSD, LSUHSC-S
 - Pharmacy
 - Physicians

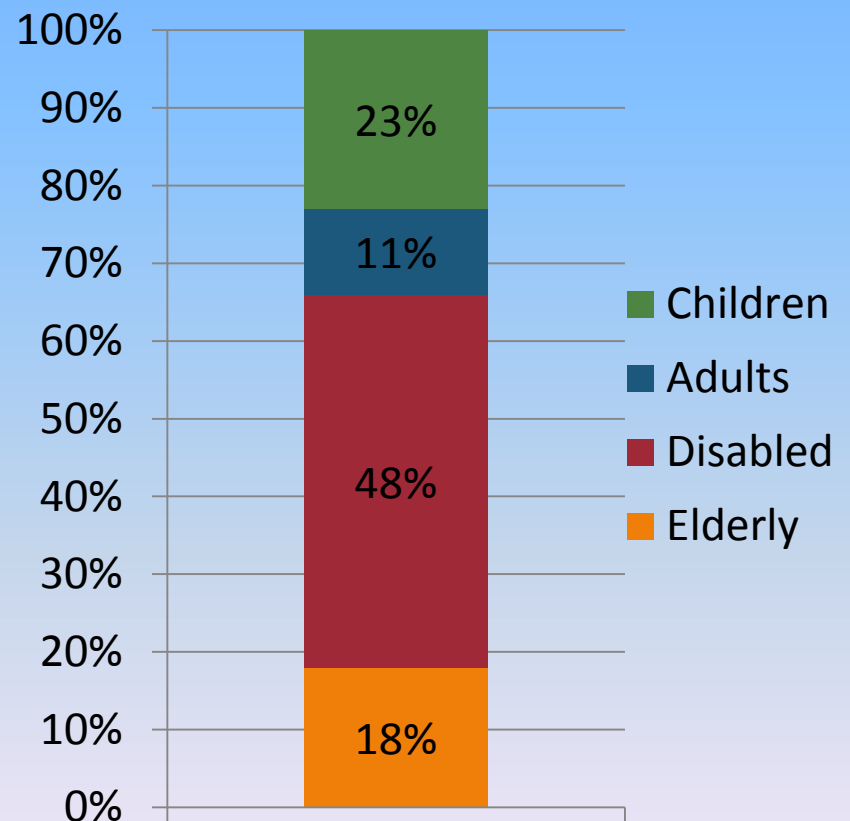


Louisiana Medicaid Expenditures

Enrollee Type



Enrollee Payment



Affordable Care Act of 2010

- Requires most U.S. citizens and legal residents to have health insurance
- Expands Medicaid to 133% of federal poverty level (FPL), with disregard, to 138% of FPL
- Current eligible groups in Louisiana Medicaid
 - Parents of children eligible to 12%FPL
 - CHIP, pregnant women up to 200%FPL
 - Childless adults ineligible at any income
- New LA enrollees 645,843 (by SFY 2023)



Why Reshape Medicaid Delivery System? Why Now?

- Louisiana has one of the poorest health outcomes of any nation
- Care coordination is fragmented
- Access to specialists is limited
- Inappropriate utilization of services
 - High rates of ER utilization
 - High rates of hospitalization
 - High rates of readmission
- Overall poor return for dollars spent
- Infrastructure for major expansion in 2014



What is a Coordinated Care Network?

“A health care delivery system that provides a continuum of evidence-based, quality-driven health care services in a cost effective manner.”

Builds on CommunityCARE, transitioning the Medicaid delivery system from the current fee-for-service system to primarily a fee for service/shared savings or prepaid model of care.

Two models implemented simultaneously:

- Coordinated Care Network – Shared Savings (CCN-S)
- Coordinated Care Network – Prepaid (CCN-P)



Major Differences in Existing CommunityCARE and CCNs

CommunityCARE (Current PCCM)

- Medical home for primary care only
- No incentives for keeping people well
- Quality outcomes approximately same as non-CommunityCARE

Coordinated Care Networks (CCN)

- Advanced patient-centered medical home
- Financial incentives to keep people well
- Framework for significant quality improvement



Differences in CCN Models

Shared Savings (CCN-S)

- Provides primary care and coordinates other services
- CCN will receive monthly care management fee
 - Two tiers, \$13.31 and \$19.66
 - CCN will reimburse \$1.50 PMPM to the PCP
- Limited risk (Return up to 50% of enhanced primary care case management PMPM if no savings)
- Shared Savings contingent on quality
- Providers reimbursed by Medicaid on FFS schedule

Prepaid (CCN-P)

- Provides all included services
- Monthly, risk adjusted PMPM
- Medical loss ratio - Requirement for portion of PMPM to be spent on health care services and quality initiatives
- Full risk
- Withhold portion of PMPM for not meeting quality expectations
- **Responsible for claims adjudication with prompt pay requirements**
- **Current Medicaid FFS rate is minimum reimbursement to provider**



Coverage and Benefits

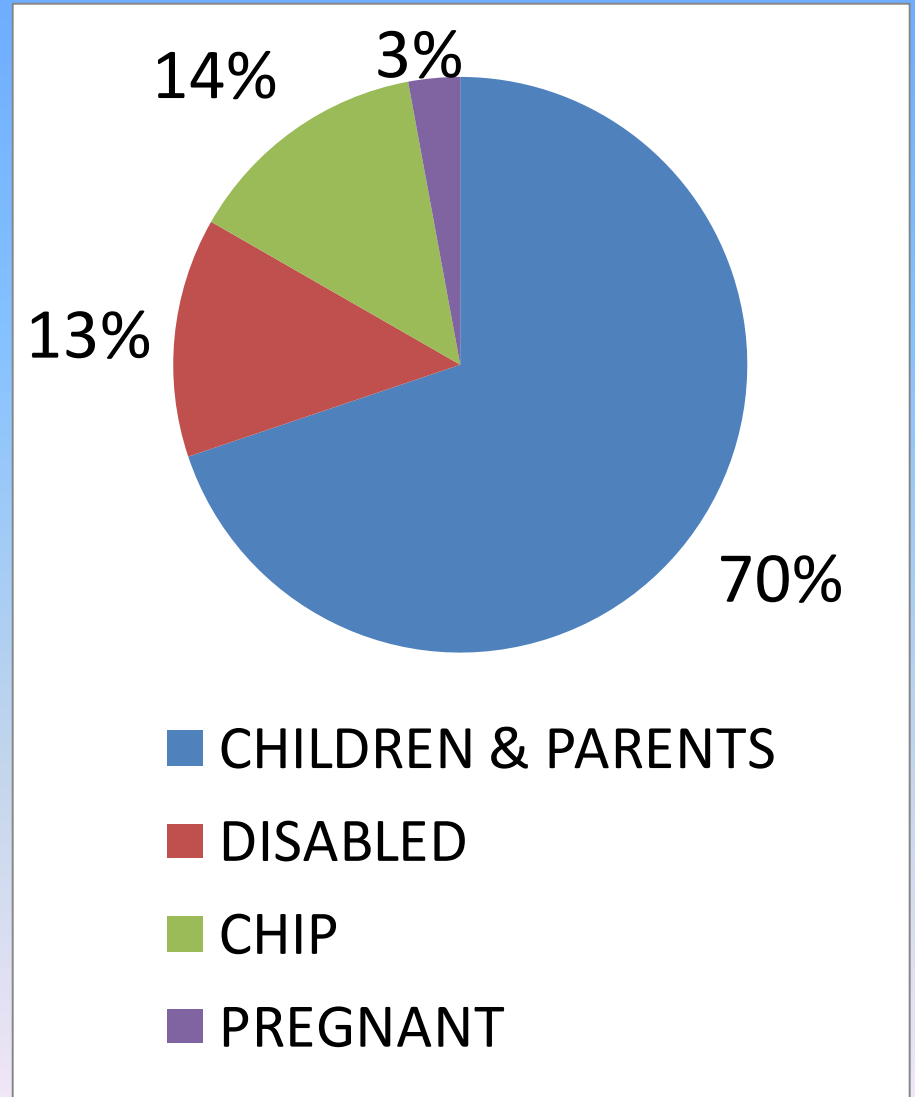
- Medicaid delivery system changes proposed will be through State Plan Amendment (SPA)
- Amount, duration, and scope of services will be no less than those provided to other Medicaid eligibles under fee-for-service
- CCN-Prepaid plans may offer additional services not available under fee-for-service
- CCN-Shared coverage and benefits will be same as fee-for-service



Mandatory CCN Enrollees

- Families & Children
 - Medicaid children
 - CHIP children (<200%FPL)
 - Parents < 11% FPL
 - Pregnant Women
- Disabled, Blind, Elderly
 - Enrollees with a disability or blind between ages 19 & 65
 - People over age 65

~ 830,000 Mandatory Enrollees



Mandatory Inclusion of Pregnant Women

- Louisiana Medicaid now pays for more than 70% of births in state
- One of the highest infant mortality rates of any state
- Focus on management of high risk pregnancies can yield quick Return on Investment
 - Improved birth outcomes
 - Lower NICU costs



Voluntary Enrollees

- Children under age 19 receiving SSI or services through OPH Special Needs Clinics
- Foster Children and children in DSS or OJJ custody
- Native Tribal Americans who are members of a federally recognized tribe
- **We want them to receive the benefits of better care coordination & access to specialists**
 - Will be included by default but may opt out (or in) at any time
 - If they opt out of the CCN, they will be in fee-for-service Medicaid

About 44,000 Voluntary Enrollees



Excluded Enrollees



- Medicare dual eligibles
- *Chisholm* class members
- Persons in nursing and DD facilities
- HCBS waiver recipients, regardless of age or waiver
- Persons receiving hospice services

If status of member changes to one of the above, they will revert to FFS effective the first day of following month.



CCN “Carve Outs”



Carve outs will continue to be fee-for-service

- Pharmacy
- Dental
- Specialized Behavioral Health
- Hospice
- Targeted Case Management
- GME
- PCS (EPSDT and LTC)
- Nursing Facility Services
- IEP Services Billed Through School Districts



Enrollees Will Have Choice of CCN and Choice of PCP

- Existing –and new--Medicaid enrollees will be asked to choose
 - a CCN
 - A Primary Care Provider (PCP) within the CCN
 - Will be linked to requested PCP if capacity exists
- Multiple opportunities for enrollees to affirmatively select their CCN & PCP
- Providers can educate patients on their CCN affiliation
- Automatic assignment if enrollee does not make a choice, weighted to prior provider relationship



Quality Measures with CCNs

- Access and Availability of Care
- Effectiveness of Care
- Use of Services
- Prevention Quality Indicators
- Satisfaction and Outcomes
- Others-
 - Administrative measures
 - Early warning system measures



So How Can We Get Better Outcomes and **Still** Show Savings?

- Reduction in duplicative services
- Reduction in emergency room costs
- Reduction in preterm births and neonatal costs
- Reduction in avoidable hospitalizations
- Reduction in hospital readmissions
- Improved outcomes through early detection and treatment
- Improved outcomes through management of chronic disease



CCN Network Structure

- CCN selection by DHH – both shared and prepaid
 - will be by RFP process
- PCPs/Specialists can participate in multiple CCNs
- CCNs must demonstrate network adequacy to pass readiness review, including:
 - Minimum specialty/patient ratios
 - Timely access standards
 - Travel distance standards



Important CCN Features

- Prepaid CCNs must pay providers no less than Medicaid FFS rate
- Capitation payment to most CCNs but CCNs contracts with providers can still be fee-for-service
- CCNs cannot require exclusivity; physicians can enroll with multiple entities
- Each CCN can design their own Physician Incentive Program (that meets federal Medicaid rules)
- Must pay 90% clean claims within 15 days of receipt; 99% within 30 days



CCN Benefits to Providers

- Clinical support for patients with chronic and complex medical conditions
- Improved access to specialists for patients
- Feedback on practice specific outcomes
- Potential for providers to share savings
- Flexibility of reimbursement for providers under prepaid plan
- Contracts with CCNs and fees can be negotiated



What Happens to Existing Medicaid?

- FFS Medicaid will still be available
 - for excluded populations and voluntary populations who opt out
 - for carved out services for mandatory CCN populations
- “KIDMED”/EPSDT
 - EPSDT will be provided by the CCNs
 - Will not be known by current DHH marketing name of “KIDMED”



Proposed Timeline for Implementation

- **January 2011** - DHH incorporated the stakeholder input into a revised draft Notice of Intent for discussion at a joint meeting of the Health & Welfare Committees
- **February 2011** - Notice of Intent, along with the economic and fiscal impact statement will be submitted to the Legislative Fiscal Office
- **February 20, 2011** - Notice of Intent will appear in *Louisiana Register*
- **March 2011** - Public Hearing on Notice of Intent
- **May-June 2011** – Submission of Final Rule for publication in *Louisiana Register*



Timeline for Implementation

- **April 2011-** RFPs published
- **August 2011-** RFPs awarded
- **November 1, 2011** - Notification of choice letters to recipients
- **January 1, 2012** – CCN begin providing services in first of 3 super-regions; other super regions begin 2 and 4 months later

•**Super-regions**

- A - Region 1 (NO) and 9 (Northshore)
- B - Regions 2 (BR), 3 (Houma), 4 (Lafayette)
- C - Regions 5, 6, 7, 8



Next Steps - Staying Connected

Use www.MakingMedicaidBetter.com as a resource for the latest information, including:

- Sign up for the Making Medicaid Better e-newsletter
- Watch video footage from forums
- Read the latest Medicaid news
- Send in your feedback and questions
- See responses to the most Frequently Asked Questions



Birth Outcomes Initiative

- Initiated by DHH in December 2009
- Focus on Louisiana's consistently poor rankings in infant mortality and preterm births
- Initiative has dedicated staff and funding
- Charged to identify opportunities to categorize, fund, and implement best practices
- Work collaboratively to improve outcomes



Louisiana Pregnancy Indicator Rankings

Indicator	US	Louisiana	Rank
Infant Mortality (IMR)/1000 births	6.69	9.92	49
Pre-term birth/%	12.8	16.4	47
Low Birth Weight/%	8.3	11.4	49
Very Low Birth Weight/%	1.5	2.1	49
Teen birth rate (15-19)/per 1000 population	41.9	53.9	40
1 st trimester prenatal care entry/%	--	87.0	4 of 32

Source: Louisiana Vital Statistics

Louisiana Medicaid Paid Deliveries (2007)

Race	Medicaid	Total Births	%
White	20256	37672	53.8
Black	23164	25698	90.1
Other	1761	2693	65.4
All races	45181	66063	68.4

In Louisiana, Medicaid pays for almost 70% of all births; the second highest Medicaid birth rate in the Nation.



Birth Outcomes Priority Areas

- Prevention of elective delivery prior 39 week gestation
- Implement behavioral health screening and intervention in pregnancy
- Utilization of 17-OH progesterone to prevent repeat preterm births
- Promotion of breast feeding
- Interconception care access and utilization
- Public report cards on birth measures



DISCLOSURE

- The current system(s) fails the recipients of our state
- WE ALL HAVE financial interests in the health care delivery system and its outcomes in Louisiana
- WE ALL HAVE a role in improving health outcomes



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